

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF WESTCHESTER

ALPHAMEDICA, INC.,

Plaintiff,

- against -

MICHAEL K. FAUST,

Defendant.

Index No.: 4887-07

AFFIDAVIT OF KELLI A. MOONEY

STATE OF NEW YORK                     )  
  ) s.s:  
COUNTY OF WESTCHESTER         )

KELLI A. MOONEY, being duly sworn deposes and says:

1. I am an owner of stock of Plaintiff AlphaMedica, Inc. ("Plaintiff" or "AlphaMedica"), a corporation organized under the laws of the State of Delaware with its principal place of business located at 220 White Plains Road, Tarrytown, New York 10591. I am also presently a member of the Board of Directors and hold the position of President of AlphaMedica.

2. I submit this Affidavit based upon my personal knowledge in support of the application of Plaintiff for a temporary restraining order and preliminary injunction enjoining Defendant Michael K. Faust, and/or those acting in concert with him ("Mr. Faust"), from: (i) representing himself to third parties as the Chief Executive Officer of AlphaMedica and/or other officer of AlphaMedica; (ii) communicating with the clients of AlphaMedica; (iii) revealing or disclosing the confidences or secrets of AlphaMedica to any third parties; (iv) revealing or disclosing materials in any form constituting AlphaMedica confidential business information and AlphaMedica trade secrets to any third parties; and (v) taking any steps, as threatened by him, to

destroy the business relationships of AlphaMedica.

**A. Background**

3. AlphaMedica is an educational, pharmaceutical marketing company that does business with major pharmaceutical companies, including, for example, Pfizer Inc. and Allergan Inc.

4. In or about 1999, myself, and other shareholders at the time, including, Andy Galler, Kerri Riccardo, and Defendant Mr. Faust entered into a Shareholders' Agreement, entitled Shareholders' Agreement of AlphaMedica. See Exhibit A to Affidavit of Andy Galler, sworn to March 21, 2007 (the "Galler Aff.") for a true and correct copy of the Shareholders' Agreement of AlphaMedica, Inc., as amended (the "Shareholders' Agreement").

5. Since in or about 1999, AlphaMedica has operated with a Board of Directors comprised of at least three shareholder members, with myself acting as President, Mr. Galler acting as Secretary, and Mr. Faust acting as Chairman of the Board and Chief Executive Officer.

6. In June 2001, the Shareholders' Agreement was amended to add the following as shareholders of AlphaMedica: (i) Christine Manning; (ii) Michael Kroha; and (iii) William Stroemer. See Exhibit A to Galler Aff.

7. Over the past several weeks, Mr. Faust has on multiple occasions informed me and others within AlphaMedica of his desire to resign from AlphaMedica as its Chief Executive Officer and, in this regard, he has expressed his desire for AlphaMedica to repurchase his shares upon such resignation.

8. Consistent with my understanding of my duties as a member of the Board of Directors, I had no choice but to take seriously Mr. Faust's communications that he wanted to resign as Chief Executive Officer of AlphaMedica.

**B. Mr. Faust's Resignation as Chief Executive Officer**

9. On March 20, 2007, at a duly noticed and convened telephonic meeting of all members of the Board of Directors, myself and Mr. Galler, constituting a majority of the Board of Directors, voted and resolved to: (i) accept the resignation of Mr. Faust as Chief Executive Officer of AlphaMedica, Inc., effective immediately; (ii) consider the appointment of Mr. Faust as a consultant of AlphaMedica during this transitional period; and (iii) seek to engage a valuation firm for the purpose of placing a value on AlphaMedica, Inc.'s common stock to effectuate a fair and equitable repurchase of Mr. Faust's shares pursuant to the Shareholders' Agreement. See Exhibit B to the Galler Aff. for a true and correct copy of the Minutes of the March 20, 2007 Meeting of the Board of Directors.

10. Mr. Faust remains a member of the Board of Directors of AlphaMedica, and continues to receive compensation and benefits from AlphaMedica in a manner consistent with past practice.

11. Following the March 20, 2007 Board Meeting, Mr. Galler and I contacted all of our fellow shareholders present at AlphaMedica's principal office to inform them of the Board of Directors' acceptance of Mr. Faust's resignation as Chief Executive Officer of AlphaMedica.

**C. Mr. Faust Has Made Representations That He Has Taken Steps To, And Will Destroy AlphaMedica and Certain of its Shareholders**

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12. Later in the evening following the meeting of the Board of Directors, Mr. Galler and I, together with Ms. Riccardo and Mr. William R. Stroemer, who had participated in the earlier call following the Board Meeting, telephoned Michael Kroha, the only other shareholder (other than Mr. Faust), in order to inform him of the Board of Directors' acceptance of Mr. Faust's resignation. Mr. Kroha, at the time, was traveling on behalf of AlphaMedica on business in London, England.

13. During our telephone call with Mr. Kroha, Mr. Faust, who also happened to be traveling with Mr. Kroha, entered the room where Mr. Kroha was participating in the telephone call and wrested the telephone away from Mr. Kroha.

14. Upon wresting the telephone away from Mr. Kroha, Mr. Faust did not provide us with an opportunity to identify all of the participants on the telephone call, and stated to me via speakerphone – for all of us to hear – that he was going to take actions to destroy the integrity and reputation of AlphaMedica, as well as the integrity and reputation of certain of its shareholders.

15. Specifically, Mr. Faust threatened that he was going to take any and all steps to destroy AlphaMedica's existing multi-million dollar contracts with Pfizer Inc. and continued and future relationship with Pfizer, Inc. and explained that "business at Pfizer is finished" because "someone at Pfizer loves [him] very much and they would do anything for [him]."

16. Mr. Faust also threatened that AlphaMedica's significant multi-million dollar business and goodwill with Allergan Inc. was "next" on "his list of clients" to be destroyed by him and that he intended to take all steps necessary to do so.

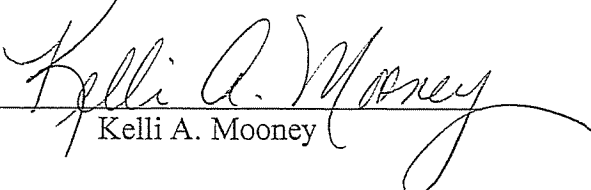
17. Mr. Faust then threatened me personally, warning me that because I had apparently voted, as Mr. Galler did, to accept his resignation as Chief Executive Officer of AlphaMedica at the meeting of the Board of Directors, I "would be sorry" and that I chosen the "wrong partner" to align with.

18. Finally, Mr. Faust warned that he has a back up file of all AlphaMedica's confidential documents on his personal computer at his home.

19. Mr. Faust continued to repeat the above plans for the destruction of AlphaMedica until he had exhausted himself.

20. If AlphaMedica were to lose valuable clients and the goodwill that it has established as a competitive and reliable agency due to the actions taken and/or threatened by Mr. Faust, it would seriously and irreparably damage AlphaMedica's viability.

21. I believe that immediate relief enjoining Mr. Faust is required to preserve AlphaMedica's business and to enforce Mr. Faust's compliance with the duties that he owes AlphaMedica as a member of its Board of Directors and as a shareholder.

  
Kelli A. Mooney

Sworn to before me this  
21<sup>st</sup> day of March 2007

  
Notary Public

CAITLIN A. MORRISON  
Notary Public, State of New York  
No. 01MO6153739  
Qualified in Queens County  
Commission Expires Oct. 16, 2010